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SUBJECT: MISSILE TECHNOLOGY CONTROL REGIME (MTCR)
REINFORCED POINT OF CONTACT (RPOC) MEETING, APRIL 10, 2008

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 B. STATE 27694
 C. STATE 26726

Classified By: ISN/MTR Director Pam Durham.

Reason: 1.4 (B), (D), (H).

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SUMMARY
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¶1. (C) The Missile Technology Control Regime (MTCR) held a productive Reinforced Point of Contact (RPOC) meeting in Paris on April 10, 2008. French Ministry of Foreign Affairs Deputy Director for Disarmament and Nonproliferation Martin Briens chaired the meeting. RPOC discussion focused on regional nonproliferation, outreach to non-MTCR countries, and preparations for the 2008 Plenary.

Results included:

--Agreement to give priority consideration to regional nonproliferation concerns at the 2008 Plenary.

--Agreement on the need for a robust Information Exchange (IE).

--Agreement on a preliminary draft agenda for the 2008 Plenary IE.

--Agreement to discuss membership applications/issues at the 2008 Plenary.

--Agreement to continue discussing -- in the run-up to and at the 2008 Plenary - a German proposal on End Use Controls.

--Provisional agreement to extend the Canberra Technical Experts Meeting (TEM) by two days such that it would begin on October 30, 2008.

--Confirmation of the dates for the Canberra Plenary - November 3-7, 2008.

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OPENING REMARKS
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¶2. (C) French RPOC Chair Martin Briens welcomed the MTCR Partners to the 12th MTCR RPOC meeting, noting that the first RPOC had been held in Paris in 1996 and that the Regime had addressed a number of missile nonproliferation challenges over the years. He further noted, however, that the missile threat has not disappeared and is, in fact, growing. For example, Briens said, there have been 18 flight tests of ballistic missiles since the November 2007 Athens MTCR Plenary. In addition, technologies are advancing, improvements are being made on platforms and propellants, and the range of ballistic missiles is increasing. Moreover, despite international pressure and UN Security Council Resolutions (UNSCRs) 1737, 1747, and 1803, Iran continues its

efforts to develop ballistic missiles. There are indications that Iran is in the process of mastering staging. Once it does this, it will have overcome a significant missile development hurdle. Iran also is pursuing a space launch vehicle program (SLV), which raises concerns because of the overlap between ballistic missile and SLV technology. Iran also cooperates with North Korea on missile issues, and there are no signs that North Korea is restraining its missile efforts despite the progress being made in the nuclear area.

¶ 13. (C) Briens said the MTCR - along with the Hague Code of Conduct Against Ballistic Missiles (HCOC) and relevant UNSCRs - is one of the key tools available to the international community to address the growing missile proliferation challenge. In the past 21 years, the Regime has grown from seven to 34 members, demonstrating the appeal of the Regime and the shared interest of member countries in missile nonproliferation. While this is a positive sign, Briens said that the fact that eleven countries continue to seek membership with no prospects for being admitted is a negative and something the Partners need to address soon.

¶ 14. (C) Beyond membership, Briens said the Partners need to pay additional attention to export controls and steps they can take to affect missile-related trade among non-Partners. Briens noted that missile-related transfers between non-Partners continue to increase. Such trade also is becoming more complex and involves new trade routes, intermediaries, and shipping hubs. In addition, non-Partners are becoming increasingly interested in acquiring cruise missiles (CMs) and Unmanned Air Vehicles (UAVs). For these reasons, Briens said, the Partners need to be extremely vigilant and continue their work to strengthen the MTCR. He also hoped RPOC discussion would be productive and fruitful and urged Partners to participate actively.

¶ 15. (C) Portugal, speaking on behalf of the EU member countries, as well as Iceland, Norway, and Ukraine, thanked France for hosting the RPOC and welcomed the Chair's opening remarks. Portugal said the EU remains committed to the multilateral treaty system and believes the MTCR is the most effective mechanism for controlling exports of weapons of mass destruction (WMD) delivery systems. For this reason, the EU countries believe the MTCR should take a proactive approach to outreach to non-members and strongly supports the mandate given to the Greek MTCR Chair. Like France, the EU continues to have concerns about the missile development activities of Iran and North Korea. In this context, the EU countries greatly appreciate the Partners' decision at the Athens Plenary to take note of the EU watch list on Iran and to exercise vigilance against the export to Iran of listed items, materials, goods and technology, consistent with UNSCRs 1696 and 1737. They also hope the Partners can agree to build on this effort in 2008. With regard to North Korea, Portugal said the EU countries hope Partners will urge North Korea to re-establish a moratorium on long-range missile testing.

¶ 16. (C) On membership, Portugal noted that it was delivering remarks on behalf of the EU countries because Slovenia, which currently serves as EU president, is not yet an MTCR member. All EU countries hope this situation can be rectified soon. The EU countries also support proactive outreach to non-members and Germany's proposal on end-use controls (see paragraphs 60 and 61).

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REPORT OF THE POINT OF CONTACT (POC)
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¶ 17. (C) France read its report on the Point of Contact's (POC's) activities (POC DOC 46). Since the November 2007 Athens Plenary, the POC has held one POC meeting with embassy representatives in Paris and circulated 91 POC documents. The POC also reported that 94 new denial notifications were circulated in 2007: 79 of these were "catch all" denial notifications. Countries subject to denial notifications in

2006 included China, Egypt, India, Iran, Israel, North Korea, Pakistan, and Syria.

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EPOC
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¶18. (C) The POC read its report (POC DOC 47) on the ePOC - the Regime's computerized information sharing system. Thirty-three countries currently have access to ePOC, and there are 278 registered users. The POC continues to work to make the website more user-friendly and to make additional security improvements. The POC is hopeful that the MTCR can go to a paperless information exchange system in the near future. The RPOC Chair thanked POC Arnaud Mentre for his excellent report and his work on behalf of the Regime.

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REPORT ON THE ACTIVITIES OF THE MTCR CHAIR
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¶19. (C) Drawing from POC DOCs 44 and 45, Greek MTCR Chair M. Eleutherios Danellis described his activities since the Athens Plenary. He reported that Greece had informed all MTCR applicant countries that the Partners had not reached consensus in Athens to admit any new members. He said he had attempted to schedule outreach visits to Kazakhstan and Syria but had not yet received replies. However, outreach visits to Israel and Jordan have been completed, and, as detailed in POC DOCs 44 and 45, were extremely productive. Ambassador Danellis said he is planning an outreach visit to Egypt in May, and will attend an export control conference in Argentina that same month. He also is awaiting an invitation from the UN 1540 Committee to provide an MTCR briefing.

¶110. (C) Russia thanked Ambassador Danellis for his report but wanted to discuss privately and in greater detail the Chair's contact with Israel. However, this would have to wait until after Russia had reviewed the Chair's written report. Brazil also asked for a copy of the Chair's report in writing. Ambassador Danellis said his reports had been posted to ePOC. He also indicated that he would be delighted to discuss with the Russian delegation the details of his trip to Israel at any time convenient to Russia. (NOTE: The overwhelming majority of Partners had not received copies of POC DOCs 44 and 45 prior to the RPOC meeting. END NOTE.)

¶111. (C) Denmark suggested that after all Partners had reviewed POC DOCs 44 and 45, the Partners might want to discuss outreach again. This is because Israel had raised some specific questions concerning its interaction with the Regime. In particular, Israel asked to establish a regular dialogue with the Regime on technical issues immediately following the RPOC. Israel also would like to participate in training activities and to discuss increased information sharing with Partners.

¶112. (C) Italy commented that Ambassador Danellis should not wait for an invitation from the UN 1540 Committee because there already is an established relationship between the Committee and the MTCR. Denmark agreed that relations with the 1540 Committee were important and thought it would be appropriate for the MTCR Chair to write to the Committee and provide a copy of the revised MTCR Annex that was agreed at the Athens Plenary. In Denmark's opinion, this should be a regular activity of the MTCR Chair.

¶113. (C) France applauded the work Ambassador Danellis already had undertaken in terms of outreach, suggested the Chair consider a visit to the UAE prior to the next Plenary, and asked about other priorities. Ambassador Danellis said he was open to suggestions on outreach, but noted the difficulty in scheduling outreach visits. For example, he currently is waiting for responses from Kazakhstan and Syria. With regard to other countries, Danellis doubted he would make visits to China, India, or Pakistan prior to Canberra but might meet with representatives of these countries on the margins of other meetings.

¶14. (C) The RPOC Chair thanked Ambassador Danellis for his report and said Partners would look forward to working with him to complete his outreach action plan.

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REPORTS ON PARTNERS' OUTREACH ACTIVITIES
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¶15. (C) The U.S. supported the excellent outreach activities of the Chair and urged all Partners to reach out to non-members to promote the goals of the Regime. The U.S. also reported that in keeping with the Athens discussions on outreach, the U.S. is engaging with the following to advise them of the goals and activities of the MTCR and to urge them (as appropriate) to implement and/or continue to implement and vigorously enforce controls on missile-related exports: Bahrain, Belarus, Chile, China, Croatia, Cyprus, Egypt, Estonia, Hong Kong, India, Israel, Jordan, Kazakhstan, Kuwait, Latvia, Libya, Lithuania, Macau, Malaysia, Malta, Pakistan, Romania, Saudi Arabia, Singapore, Slovak Republic, Slovenia, Taiwan, Thailand, and the United Arab Emirates. Prior to the 2008 Plenary, the U.S. will circulate a comprehensive written report on its contacts with non-Partners since the Athens Plenary.

¶16. (C) Japan said that it also has been actively engaged in outreach activities, primarily in Asia. These efforts have included hosting seminars and training for industry to raise awareness of the missile proliferation threat. Japan plans to provide a detailed report on its outreach activities in Canberra.

¶17. (C) The ROK reported on its December 2007 seminar on disarmament issues. The ROK also has been discussing MTCR issues with China, including the importance of preventing the proliferation of missile technology and equipment to North Korea. In addition, the ROK has urged China to join the HCOC.

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REGIONAL NONPROLIFERATION
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¶18. (C) France reiterated its concerns about Iran's ongoing missile development and SLV activities. Iran appears to be on the brink of mastering the staging of missiles. Once Iran has this capability, it will pose an even greater threat to Partners. France strongly urged the Partners to focus on Iran during the IE discussions at the upcoming Plenary and to vigorously implement all relevant UNSCRs on Iran. France also urged Partners to use the watch list discussed at the Athens Plenary to prevent transfers of non-MTCR Annex missile-related items to Iran, and suggested Partners report on how they are using the watch list at the Canberra Plenary.

¶19. (C) The U.S. shared France's concerns about Iran's missile activities and agreed that regional issues need to be a central focus of MTCR discussion. The U.S. stressed that missile proliferation in regions of tension threaten regional stability and international security, and noted that with the most rapid time to target capability (and thus minimum warning time), the inability to be recalled, and high in-flight survivability, ballistic missiles have unique characteristics that make them well-suited for delivering WMD. These qualities enhance the reach and lethality of WMD, and thus are attractive to international actors seeking to coerce or threaten neighbors in the absence of an effective defense.

¶20. (C) These attributes also explain the persistent and increasing threat posed by ballistic missile proliferation nearly seventy years after these weapons systems were first developed. The clearest illustration of this fact is that about a dozen countries currently possess both ballistic missiles and at least one form of WMD. Most of these countries are opting for a long-term reliance on ballistic missiles, increasing their inventories of such weapons and

improving their capabilities.

¶21. (C) Additionally, many countries are pursuing cruise missile programs as alternatives or supplements to their ballistic missile capabilities. Like ballistic missiles, cruise missiles can be a platform for WMD delivery and provide a more effective vehicle for biological and chemical weapons distribution than ballistic missiles. These trends are especially evident in the key regions of tension, the Middle East and Persian Gulf, Northeast Asia, and South Asia.

¶22. (C) Ballistic and cruise missile programs in these regions are evolving in different ways. While nearly all ultimately seek to obtain indigenous production capabilities, some rely primarily on direct missile purchases from countries such as North Korea, while others solicit extensive foreign assistance in missile design, development, and/or production. In other cases, more limited, specialized assistance is sought from foreign sources to sustain domestic design efforts and overcome technological impediments that prevent self-sufficiency in a state's missile program.

¶23. (C) The procurement efforts required to support missile development are global in scope, utilizing the territories and economies of a wide range of countries as sources of equipment and technology, as re-export/transit cutouts, and as brokering and finance centers. Many of these countries, including MTCR Partner countries, are not aware that their entities are inadvertently assisting ballistic missile proliferation.

¶24. (C) In several cases, broad international consensus has been reached that certain national missile programs constitute a threat to international peace and security. With respect to Iran, UNSCRs including 1696, 1737, and 1747, and 1803, prohibit technological transfers and other assistance by all states to Iran's missile programs. UNSCRs 1695 and 1718 require similar actions regarding ballistic missile programs in North Korea. These UNSCRs reflect the fact that ongoing nuclear tensions in the Persian Gulf and Northeast Asia threaten the viability of the global nonproliferation and security system. These tensions are aggravated and made more real and widespread by the open development and testing of ballistic missiles capable of delivering WMD.

¶25. (S/REL MTCR) For example, Iran has publicly revealed it had conducted some tests related to solid-propellant missile technology and implied that it was working on a design for a two-stage, 2,000 km-range system. Iran has also worked to improve the capabilities of its liquid propellant missile systems, claiming that a variant of the Shahab-3 missile has a 2,000 km-range and improved accuracy. Not only would missile-delivered WMD in Northeast Asia or the Middle East have the potential to cripple the global economy, the development of longer-range ballistic missiles carries with it the ability to deliver WMD to other regions.

¶26. (C) There are similar implications related to missile proliferation in South Asia, where a nuclear and missile arms race has the direct potential to lead to nuclear war in the world's most densely populated area and a region of increasing global economic significance. As we have already seen in South Asia in the nuclear area, the possession and development of missile technology there also carries with it the risk that this technology will spread to other regions.

¶27. (C) In an increasingly interdependent world, missile programs for WMD delivery in regions of tension threaten stability -- not just in those regions, but globally. Moreover, the challenge posed by these programs is growing as they improve qualitatively and quantitatively, often by drawing on all of us for various forms of facilitation.

¶28. (C) For these reasons, the U.S. said, the MTCR needs to grapple more directly, and with more effort and priority, on the missile proliferation threat in key regions and find ways to work together to address these developments in the real

world of missile proliferation.

The U.S. therefore urges a robust discussion of regional proliferation issues at the Canberra Plenary and strongly urge all Partners to submit papers and/or make presentations at the Information Exchange and Licensing and Enforcement Experts Meeting in support of such discussion.

¶129. (C) Japan agreed on the importance of addressing regional proliferation issues and reminded Partners that while Iran is a serious concern, North Korea also is of concern. While Japan hopes for a positive outcome in the Six Party Talks, there has been no movement yet on North Korean missile issues. Partners therefore need to continue to be vigilant with regard to missile-useful exports to North Korea and to actively implement relevant UNSCRs.

¶130. (C) South Korea echoed Japan's concerns, noting that resolution of the North Korean missile issue would have a positive impact on Northeast Asia, the Middle East, and the world as a whole. Like Japan, the ROK hopes for a positive result from the Six Party Talks on nuclear issues and is looking for good ideas for solving the North Korean missile problem.

¶131. (C) The UK recalled the opening remarks made by France and Portugal (on behalf of the participating EU states) and urged Partners to submit IE papers that would enhance and support policy discussion on regional proliferation concerns.

The UK also urged Partners to use the Iran watch list discussed in Athens and to report on implementation efforts in Canberra.

¶132. (C) Russia said it was interested in reviewing MTCR activities and wanted to propose a brainstorming approach to regional missile proliferation. Russia thought the Partners should look at all aspects of missile proliferation and invited Partners to reflect on problems and potential priority responses. Like the U.S. and the UK, Russia supported active participation in the IE and said it was working on a paper on global missile trends for the Canberra IE.

¶133. (C) The RPOC Chair thanked Partners for such a useful exchange of views and urged a robust preparation of the IE. He also again recommended that Partners actively implement all relevant UNSCRs and report at Canberra on national efforts to implement the Iran watch list. Russia pointed out that, in Athens, Partners simply took note of the Iran watch list, and had no obligation to implement or operationalize it. Therefore, Russia was puzzled by the repeated reference to the need to report on implementation efforts in Canberra. The RPOC Chair responded that if Partners want to voluntarily report at Canberra on how they are using the Iran watch list, this information might be of interest to other Partners.

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CHANGES TO THE MTCR ANNEX
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¶134. (C) The POC reported that he had circulated a draft Matrix on Partner implementation of changes to the MTCR Annex (POC DOC 39) and urged Partners to submit their updates by June, so a completed matrix could be circulated in Canberra. The U.S. thanked the POC for developing the matrix and noted that it expected to implement the Annex changes adopted in Athens by the end of May 2008. Brazil reported that it incorporated the changes to the MTCR Annex adopted in Athens into Brazilian export control law/regulation in March 2008.

¶135. (C) Switzerland asked whether the POC would also develop a matrix on Partner implementation of changes to the MTCR Guidelines. The POC said it would do so. Bulgaria asked how often the POC planned to update the matrices. The POC said updates would be done regularly.

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COMPENDIUM OF CONSENSUS DECISIONS
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¶136. (C) The POC reported that it planned to circulate a draft updated "Compendium of Consensus Decisions" for Partner review very soon. The POC intends to issue a final version of the document at Canberra.

¶137. (C) Denmark commented that the "Compendium of Consensus Decisions" was a very important document and should be updated after every Plenary. Denmark realized this was not an easy undertaking but urged the POC to make every effort to do so. Denmark also thought that there was no reason for Partners to review a "draft" since all the POC does is make factual updates. The POC reiterated that it would circulate an updated "Compendium of Consensus Decisions" very soon.

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MEMBERSHIP
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¶138. (C) The MTCR Chair reported that no new applications for membership had been received since Athens. He also noted that there had not been much discussion on membership at the Athens Plenary and doubted there would be any breakthroughs at the RPOC.

¶139. (C) Turkey stated for the record that its views on pending membership applications have not changed, and reiterated its view that applications should be considered on a case-by-case basis. Russia noted that it supports priority accession for countries with significant missile capabilities that can contribute meaningfully to the MTCR.

¶140. (C) As there were no new developments, the Partners agreed to discuss all pending applications again at the 2008 Plenary.

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GERMAN PROPOSAL ON END USE CONTROLS
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¶160. (C) Germany reported that following the Athens Plenary, it had received comments from some Partners on its proposal on End Use Controls. These comments are incorporated into POC DOC 36, which Germany had hoped to have adopted by the RPOC. However, Russia has just today provided its comments on the proposal. Germany believes all of Russia's comments can be accommodated and will circulate a revised proposal to the Partners soon. Germany hopes that the revised proposal can be adopted in Canberra.

¶161. (C) Russia said it had thoroughly studied the German proposal and is "close to a deal." The U.S., Switzerland, Poland, and France all welcomed Germany's efforts, noted that they already support the proposal (as contained in POC DOC 36), and looked forward to reviewing the revised proposal. They also hoped the revised proposal could be adopted in Canberra.

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UK Proposal on Payload Substitution
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¶162. (C) The UK reported that it had been working since Athens to address questions that certain Partners had raised about its proposal on payload substitution. The UK hoped that these consultations had successfully allayed Partner concerns and urged Partners to adopt the proposal at the Canberra Plenary.

¶163. (C) The ROK said it continued to study the UK proposal and had not yet decided whether to support it. The ROK is concerned that the proposal gives too much room to exporting countries and puts too much control on commercial end-users. The ROK also thinks that the proposal overlaps with the existing nonproliferation factors specified in the MTCR Guidelines (i.e., 3a, 3d, and 3g) and tries to put policy guidance into the MTCR Annex.

¶64. (C) Russia shared the ROK's concerns. While Russia agreed on the need for the Regime to consider a proposal relating the UAV proliferation risk, it could not support the UK proposal. In Russia's view, the MTCR Guidelines need to be applied equally to all platforms, not just UAVs.

¶65. (C) The UK clarified that it had no intention of impeding legitimate commercial trade in UAVs. However, it thought military UAVs should be treated differently. Russia said it had problems distinguishing between commercial and military UAVs and wondered if the intent were to distinguish between military and peaceful programs. If so, Russia wondered who made that assessment.

¶66. (C) Brazil said it also was interested in a thorough discussion of UAV nonproliferation issues. Given the growing commercial and peaceful uses for UAVs - and the particular applications of UAVs to Brazil's unique need to monitor vast agricultural areas - Brazil wanted to be sure that the UK proposal would not impede such uses. While Brazil favored strengthening controls on military UAVs, it looked differently at controls on commercial and peaceful-use systems.

¶67. (C) The UK reminded Partners that the proposal focused on unauthorized payload substitution and undertook to consult further with Partners in the run-up to the Plenary. France, Germany, Japan, and the Netherlands and the U.S. supported the proposal and hoped it could be adopted in Canberra.

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U.S. UAV/CRUISE MISSILE (CM) PROPOSAL
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¶68. (C) The U.S. advised Partners that it continues to place a high priority on adoption of its proposal to modernize MTCR controls on UAVs and cruise missiles, noting that the basic goal is to improve the Regime's ability to address rapidly evolving security concerns. The U.S. has appreciated the constructive exchange of ideas on the UAV/CM proposal thus far and believes that most technical issues have been resolved. The proposal is on the agenda for the Bonn TEM and Partners can raise any additional questions they might have then. (NOTE: During bilateral discussions on the margins of the RPOC, Russia advised the U.S. that it is conducting a comprehensive analysis of the UAV/CM proposal and hopes to have it ready for discussion at the Bonn TEM.
END NOTE.)

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DENIAL NOTIFICATIONS
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¶69. (C) The RPOC Chair noted the adoption of a best practices guide on denial notifications at the Athens Plenary. While this guide is not binding on Partners in any way, the RPOC Chair suggested it might be useful if Partners volunteered to exchange information on how they have used it, either via the monthly POC meetings or at the Plenary.

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TECHNICAL EXPERTS MEETING (TEM)
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¶70. (C) The TEM Chair read her report (POC DOC 65) on the TEM Chair's activities since the Athens Plenary. She said an intercessional TEM would be held in Bonn on June 4-6, 2008 to discuss 18 new documents and 11 outstanding issues from Athens. The TEM Chair requested - and obtained -- provisional agreement to extend the Canberra TEM for an additional two days such that it would begin on October 30. Confirmation of this extension will be subject to the TEM Chair providing a rationale to support the need for additional TEM work time following the Bonn meeting.

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INFORMATION EXCHANGE (IE)
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¶71. (C) The UK Permanent Co-Chair of the IE reported on the results of the IE representatives' side meeting to establish a draft agenda for the 2008 IE. The draft agenda has been circulated as POC DOC 66. To facilitate the smooth operation of the IE and a useful exchange of ideas, Partners are strongly encouraged to circulate their papers via the POC at least one month in advance of the Plenary. In addition, the IE Co-Chair would appreciate Partners indicating the country of origin on the title page of their papers and providing a 10-line summary of each paper prior to the Plenary.

¶72. (C) The U.S., France, and the Netherlands all noted the importance of the IE and urged Partners to contribute papers and presentations. All Partners have ideas and best practices to share, and we can learn from each other. Russia agreed that the IE is an important forum for discussing sensitive issues, and urged a frank and open discussion of all missile proliferation concerns at the Canberra meeting.

¶73. (C) Regarding the IE agenda, France suggested adding a sub-heading on implementation of the Iran watch list. Brazil and South Africa objected on the grounds that the Plenary had only taken note of the watch list. As there was no agreement, the RPOC Chair suggested that Partners wishing to make voluntary submissions on watch list implementation could do so but no watch list sub-heading would be added to the IE agenda.

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LICENSING AND ENFORCEMENT EXPERTS (EE) MEETING
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¶74. (C) The Dutch Permanent Co-Chair of the LEEM reported on the results of the LEEM representatives' side meeting to establish a draft agenda for the 2008 LEEM. The draft agenda will be circulated soon via ePOC. Partners were urged to submit proposals for specific presentations/papers as soon as possible.

¶75. (C) The LEEM Co-Chair also reported that a revised draft Enforcement Officers Handbook would be circulated to the Partners in May via the POC. Partners are invited to provide their final comments as soon as possible thereafter. Ideally, a final handbook will be adopted in Canberra.

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PREPARATIONS FOR THE 2008 PLENARY
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¶76. (C) Australia announced that the 2008 Plenary would be held in Canberra on November 3-7, with provisional arrangements being made to start the TEM on October 30. Additional information on the Plenary will be provided to the Partners in the coming weeks.

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OTHER BUSINESS
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¶77. (C) The UK reminded Partners that it would hold a missile technology course on November 24-28, 2008 and urged interested Partners to register soon. Denmark asked whether the course could be opened up to include non-Partners. The UK undertook to study the matter.

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BILATERAL AND SMALL GROUP MEETINGS
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¶78. (C) On the margins of the RPOC, the U.S. held bilateral meetings with Australia (4/9), France (4/9), Germany (4/9), Japan (4/9), Russia (4/9), and the UK (4/9). These meetings were primarily opportunities to preview positions on RPOC agenda items and to advise Partners of the state of play on the U.S. UAV/CM proposal.

¶79. (C) The U.S. also had a brief discussion on April 10

with Hungary, which will be taking over as HCOC Chair at the end of May and is interested in U.S. thinking on HCOC issues.

During the meeting, Hungary noted that it plans to make HCOC universalization a priority and asked for U.S. assistance in identifying countries that might be good targets for outreach. Hungary also wants to try to increase the number of HCOC countries that submit Annual Declarations and welcomed a U.S. suggestion to consider ways to make this easier on countries that do not have ballistic missile or space programs, i.e., once a country submits a "nil" form, it should not be required to submit additional ADs unless and until there is a change in its status. In addition, Hungary would like to pursue a resolution on the HCOC in the UN First Committee in 2008 and was heartened that the U.S. would not object to this effort. Hungary also wants to use the upcoming HCOC annual meeting to discuss all of the proposals that countries tab

led to improve the HCOC in the past few years, so that no member can complain that it had not received a fair hearing. Finally, Hungary was interested in U.S. ideas for exchanging information in the HCOC. The U.S. encouraged Hungary to urge HCOC countries to use their national statements for this purpose as agreed at the 2004 annual meeting.

¶80. (C) On April 9, the U.S. participated in French-hosted small group discussions with Australia, France, Germany, Japan, and the UK, focused on proposals for the 2008 MTCR Plenary. After an open exchange of views, small group members agreed on the following:

--small group members support Germany's proposal for a best practices guide on end use controls;

--small group members agree on the importance of addressing regional nonproliferation issues at the Plenary and of having a robust IE to support Plenary discussions;

--small groups members agree on the need to encourage as many Partners as possible to submit papers and/or make presentations at the Canberra IE;

--small group members share serious concerns about Iran's missile program and the need to make Iran a focus of attention at the 2008 Plenary; it would be useful to raise Iran and UNSCR 1803 during the RPOC discussion, so that these concerns can be reflected in the RPOC Chairman's report that will be submitted to the Canberra Plenary;

--small group members agree that the MTCR should not relax its vigilance on North Korea;

--small group members agree that Ukraine's Category I notification to the Partners concerning an impending transfer to India is inadequate; ideally, the troika (Australia-Denmark-Greece) should follow-up with Ukraine to ask for additional information; failing that, small group members should follow-up bilaterally with Ukraine as we do not want to allow this type of notification to stand as precedent; we also want to register our serious concerns about this transfer;

--small group members continue to support the U.S. UAV/CM proposal; the U.S. should keep the small group apprised of developments and ways group members can be helpful;

--small group members support the UK proposal on payload substitution;

--small group members recognize that the time is not right for the Regime to consider conveying some sort of status on countries that apply the MTCR Guidelines and Annex on a national basis; however, this issue will need to be addressed seriously in the near future;

--small group members support the U.S.-proposal on outreach to the GCC; France and the UK will work with the other EU countries to develop this into a Plenary proposal;

--small group members support the U.S. proposal on outreach to Indonesia and Malaysia; Australia will take the lead on promoting this proposal in the Plenary;

--small group members strongly support the U.S. proposal for a seminar on risk assessment in licensing; Germany is willing to host such a seminar and will put forward the relevant Plenary proposal; and

--small group members support some aspects of the U.S.-suggested Plenary proposal on machine tools; the U.S. should update the proposal based on small group input and circulate it again to small group members for further feedback.

¶81. (C) Finally, on April 9, the U.S. participated in a small group meeting concerning next steps on the UN Panel on Missiles. Group members (France, Hungary, Poland, UK, and the U.S.) agreed that the prospects of getting panel agreement on a report were extremely slim, given the demand of some countries (e.g., Iran) to use the report as purely a vehicle for advancing national agendas. On April 10, the group met with the Brazilian Panel Chair, who agreed on the difficulty of getting panel agreement, and indicated that he plans to circulate to Panel members in mid-May a very truncated revised draft that will focus more on process than substance. Small group members were skeptical that even such a bland report will command a Panel consensus, and plan to consult informally once they have reviewed the forthcoming draft.

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U.S. Delegation
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¶82. (C) The U.S. delegation was led by ISN DAS Ambassador Donald A. Mahley. Other delegation members were: Pam Durham (ISN/MTR), Ralph Palmiero (ISN/MTR), Janet Heywood (ISN/MTR), Jamie Fly (OSD/TNT), Charles Stubbs (Joint Staff), Chantal Lakatos (DOC/BIS), and Helen Smith (Embassy Paris).
RICE

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End Cable Text